DOCUMENT RESUME

ED 298 202 UD 026 335

AUTHOR Peterson, Paul E.; And Others
TITLE The Evolution of the Compensatory Education Program.
PUB DATE Oct 87
NOTE 26p.; In: Policy Options for the Future of Compensatory Education; see UD 026 334.
PUB TYPE Speeches/Conference Papers (150) -- Reports - Evaluative/Feasibility (142) -- Information Analyses (070)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Agency Cooperation; *Compensatory Education; Economically Disadvantaged; Educationally Disadvantaged; Elementary Secondary Education; Federal Aid; *Federal Programs; *Federal State Relationship; Low Income; Program Administration; *Program Development; Program Evaluation; Program Implementation; Staff Development; State Programs
IDENTIFIERS *Education Consolidation Improvement Act Chapter 1; *Elementary Secondary Education Act Title I

ABSTRACT

Over time, compensatory education has become an increasingly institutionalized and effective Federal program, characterized by the following: (1) cooperation; (2) mutual accommodation on the part of national, state, and local officials; (3) ready acquiescence to Federal guidelines at the state and local level; and (4) shared responsibility among professional administrators at all levels of government. Mutually accommodating intergovernmental relationships are founded on interdependence: Federal agencies have crucial legal and fiscal resources; locals have the operational capacity without which nothing can be achieved. The program is a product of a broad social movement with both national and local adherents. Cooperative relationships in compensatory education emerged gradually. Between 1965, when legislation authorizing the program was enacted, and 1981, when Congress modified many of the law's statutory requirements, the program evolved through three distinct phases. Originally it was little more than a vague expression of a general Federal commitment to help educate those in poverty. By the early 1970s the program had acquired a well-defined set of rules and guidelines that many state and local officials had difficulty understanding, to say nothing of implementing. Eventually, Federal, state, and local policymakers worked out their differences so that by the early 1980s a stable set of expectations concerning program operations emerged. Data are presented on three tables; a list of references is included. (BJV)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED298202

THE EVOLUTION OF THE COMPENSATORY EDUCATION PROGRAM

by

Paul E. Peterson, Barry G. Rabe, and Kenneth K. Wong
The Brookings Institution

VD026335

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
Peggy A. Richmond
Research & Evaluation Associates, Inc.
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☒ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

THE EVOLUTION OF THE COMPENSATORY EDUCATION PROGRAM

Over time, compensatory education has become an increasingly institutionalized and effective Federal program. Although examples of bureaucratic ineptitude, concessions to special interests, and inefficient use of Federal resources persist, the dominant pattern is quite the opposite. Instead of conflict, one finds cooperation. Instead of Federal coercion, one finds mutual accommodation on the part of national, state, and local officials. Instead of misappropriation of Federal resources, one finds ready acquiescence to Federal guidelines at the state and local level. Above all, instead of a heavy Federal presence, one finds, for the most part, a cooperative system in which responsibility is shared among professional administrators at all levels of government.

Mutually accommodating intergovernmental relationships in compensatory education are founded on the reality that each participant needs the other. Federal agencies have crucial legal and fiscal resources; locals have the operational capacity without which nothing can be achieved. Cooperative relations are also facilitated by the fact that the program is the product of a broad social movement with both national and local adherents. Also, professional administrators at all levels of government identify with the goals of these new programs, have been recruited to direct them, and as a result have a stake in making them work.

Cooperative relationships in compensatory education emerged gradually. Between 1965, when legislation authorizing the program was enacted, and 1981, when Congress modified many of the law's statutory requirements, the program evolved through three distinct phases. Originally it was little more than a vague expression of a general Federal commitment to help educate those in poverty. By the early 1970s the program had acquired a well-defined set of rules and guidelines that many state and local officials had difficulty understanding, to say nothing of implementing. Eventually, Federal, state, and local policymakers worked out their differences so that by the early 1980s a stable set of expectations concerning program operations emerged.

These conclusions are based upon a review of the existing literature and our own research on Federal-state-local relations in four urban areas: Baltimore, Dade County, San Diego and Milwaukee. Field research, including documentary research and interviews with Federal, state and local officials, was conducted between 1980 and 1982; all unattributed quotations are from these interviews (See Peterson, Rabe, & Wong, 1986 for a more complete description of this research).[1]

Phase One: High Expectations and Vague Requirements

In the first phase of a redistributive program the central government is bold in its expectations, unclear in its objectives, imprecise in its stipulations, and inept in its administrative actions. A bold preamble is sketched, a vague program framework is developed, and the funding sluice gates are opened. Details regarding costs and implementation procedures are treated as secondary concerns, dust that will settle once the legislation had been enacted. If the program develops problems, rational analysis can presumably solve them. In the exuberance of the moment such programs are seen as points of departure for future Federal action rather than definitive steps in the evolution of a social welfare state.

The expectations for compensatory education were especially high. The eminent sociologist Kenneth Clark (1966) spoke for a generation of scholars when he stated that "providing more effective education in our public schools for the children of the poor, Negro and white, is the crucial battle in the overall war against poverty and will determine its eventual success or failure" (p. 175). President Lyndon Johnson concurred and made compensatory education a cornerstone of the Great Society. After signing the legislation, he said, "I will never do anything in my entire life, now or in the future, that excites me more, or benefits the Nation I serve more, or makes the land and all of its people better and wiser and stronger, or anything that . . . means more to freedom and justice in the world than what we have done with this education bill" (Johnson, 1966, p. 416). The program was expected to eradicate past inequities and was also perceived as a steppingstone to an American educational renaissance. Social psychologist Robert Havighurst reflected a widespread belief that compensatory education was only the beginning of a new movement that would change the nation's overall level of ability. He expected passage of the Elementary and Secondary Education Act of 1965 to be followed by an all-out effort to "raise the average IQ of children from low-income families by ten points . . . [and] clear out 50 to 75 percent of the severe retardation in reading and arithmetic which now exists in elementary schools" (Havighurst, 1965, p. xi).

As extravagantly as these expectations were stated, the law itself was extremely vague as to how they were to be achieved. In part this was due to the fact that school officials opposed any Federal instruction on how the job was to be done. The legislation providing for compensatory education was shaped in part by the National Education Association, the Council of Chief State School Officers, the National School Boards Association, the American Association of School Administrators, the National Association of State Boards of Education, and the National Congress of Parents and Teachers. Widely known as the "big six" in educational policy circles, these long-established and influential organizations shared "an ideological preference for protecting local and state control of education and minimizing Federal interference" (Kirst & Jung, 1982, p. 130). The sole lobby group promoting categorical restrictions on the program was the National Catholic Welfare Board, which was

interested in making certain that some of the monies were used in nonpublic schools.

Federal direction of compensatory education funds was thus initially limited. Requirements for fiscal control and accounting procedures "as may be necessary to assure proper disbursement of, and accounting for, Federal funds" and requirements for adopting "effective procedures" for program evaluation proved to be more exhortation than carefully crafted procedures with which local districts were expected to comply. Although the Federal government also required that funds be denied to local school districts if the state found that "the combined fiscal effort . . . of that agency and the state [was] . . . less than [the] fiscal effort" (Elementary and Secondary Education Act of 1965, Title I, Section 207(c)(2), 79 Stat. 32) of the previous year, state and local expenditures for education were increasing rapidly enough during the inflationary period that the provision proved neither restrictive nor meaningful. Consequently localities sometimes used part of the Federal aid for local tax relief instead of using all of it to increase educational services. One econometric analysis discovered that in 1970, for every dollar in Federal aid they received, localities reduced their own local expenditures on education an average of twenty-eight cents (Feldstein, 1978).

Not only were Federal restrictions minimal, but the administrative staff to enforce them was small and inexperienced. The job of administering compensatory education programs, observed Stephen Bailey and Edith Mosher (1968) in their authoritative chronicle, "fell to an agency with a long and pedestrian past." The professional staff of the Office of Education averaged more than fifty years of age, they suffered from "an almost pathological suspicion" of the Department of Health, Education, and Welfare, and they feared the change of Federal control in a way that had a "crippling effect on initiative and leadership" (pp. 72, 75). "Instead of being oriented toward compliance, Federal administrators viewed themselves as professional educators; the idea of enforcing regulations was simply incompatible with their view of public education" (Murphy, 1971, p. 53). But even if Federal and state officials had been more zealous in their commitment to the objectives of compensatory education, there were simply too many districts and classrooms for any single method of implementation to become dominant. As late as 1976 the Office of Education employed only one hundred persons with administrative responsibilities in compensatory education to supervise a program operating in 14,000 local school districts. Commenting on early program experiences, Milbrey McLaughlin (1975) observed, "The [Office of Education] does not 'run' Title I. The design and content of the more than 30,000 Title I projects across the country are determined by [local school systems]. Consequently, the use of Title I dollars reflects multiple and diverse goals, which are not easily transformed into measurable, overarching objectives" (p. 117). Perhaps the situation was best summed up by Alice Rivlin (1971): "No one really knew <u>how</u> to run a successful compensatory education program. There were hunches and theories, but few facts" (p. 80).

If Federal administrators had limited resources and experience, local administrators and teachers had only vague ideas of what a compensatory education program entailed. Indeed, it was this very vagueness that motivated some of the original supporters of the program. Testifying before the congressional committee considering the 1965 legislation, Robert Kennedy complained of having "seen enough districts where there has been a lack of imagination, lack of initiative, and lack of interest in the problems of some of the deprived children" (cited in McLaughlin, 1975, p. 2). If that were the state of affairs when the legislation passed, schools could obviously not be redirected overnight. Among the four school systems included in our study, Baltimore was especially slow in developing a special focus for its compensatory education program. As late as 1975, according to a Baltimore administrator, "Federal auditors came in and said there was no comparability [local spending on compensatory schools equal to that on other local schools]. We said, 'What's new?' There was no deliberate effort on our part to deceive the feds. There was some ignorance, some things we just didn't know, and some things we didn't want to do." Not only was there no comparability, but Baltimore, the most politicized of the four cities, was said to have allocated its funds according to politically defined criteria.

Inexperience, a small administrative staff, and ill-defined objectives combined to produce a diverse, inchoate program that failed to concentrate its fiscal resources on the population it was supposed to serve. Even several years after passage of the act it was easy to conclude that the program illustrated perfectly what a generation of analysts have come to criticize as a fundamental flaw of redistributive programs and of American federalism: "The Federal system—with its dispersion of power and control—not only permits but encourages the evasion and dilution of Federal reform, making it nearly impossible for the Federal administrator to impose program priorities; those not diluted by Congressional intervention can be ignored during state and local implementation" (Murphy, 1971, p. 60).

Phase Two: Imposing and Enforcing Regulations

The second phase in the evolution of a new intergovernmental program attempts to correct the problems and abuses experienced in the first phase. As evidence accumulates that funds for redistributive programs are being diverted from the populations they are supposed to be serving, the Federal government intensifies its oversight of local activities. New regulations are enacted to compel greater program unity, regulations that may be supported or even designed by organizations representing the program's intended recipients. Rather than continue to acquiesce in locally defined resource allocation, programs are adjusted to make the goals of Federal policy clear. As local officials chafe under the new regulations, intergovernmental conflict and confusion increase.

The experience of the compensatory education program illustrated this pattern of change. Before the 1981 deregulations introduced by

the Reagan administration, Congress amended the original legislation on four occasions: 1968, 1970, 1974, and 1978. Each set of amendments resulted in new provisions that specified more clearly the congressional commitment to helping disadvantaged children from low-income families. The Office of Education developed its own increasingly elaborate set of regulations and guidelines, many of them stated in letters to specific school districts or in interpretations of specific decisions. Even if one looks at only the formal requirements, the number of Federal regulations added is astonishing. In 1965 the program had eight requirements; by 1980 it had fifty-nine.

To prove that they were concentrating services on the disadvantaged, local districts had to show that they were identifying as compensatory education schools those with the highest concentration of students in poverty, that they were contributing as many local resources to these schools as to any other school in the district, and that they were committing at least the same level of local resources as they had provided in previous years.

To help them achieve these objectives, the Federal government established a number of specific guidelines. Under maintenance of effort, districts' revenues from state and local sources could not be lower than those of the preceding year. Comparability ensured that locally funded services in every compensatory education school were at least at the average level of those provided to noncompensatory education schools in the same district. This concept was intended to prevent local districts from using Federal funds merely to provide the poor with services already available in other schools. A supplement, not supplant provision, added in 1970, specified that school districts were to use Federal dollars "to supplement, and to the extent practical, increase the levels of funds that would, in the absence of such Federal funds, be made available from nonfederal sources" (Amendments to the Elementary and Secondary Education Act of 1965, Title I, Section 109, 84 Stat. 124) for programs and projects for the educational disadvantaged. These funds were "in no case" to be used to supplant such funds from nonfederal sources. This provision was clarified by the excess cost guideline, which stipulated that compensatory education dollars pay only the costs of supplementary services that exceeded normal instructional expense. Another provision required that all services provided to noncompensatory education students also be furnished to compensatory education children. Each provision was intended to make certain that disadvantaged children directly benefited from Federal dollars. Still other Federal provisions helped govern the design and operation of compensatory education at the local level. Under concentration of services, school districts were required to channel Federal aid to schools with a higher proportion of poor students before spending money on schools with a lower proportion. Needs assessment directed districts to identify all educationally disadvantaged children in low-income areas and to formulate a program design on how to meet the needs of these children. To avoid program duplication, local authorities were encouraged to coordinate compensatory instruction with other Federal and state programs.

Federal enforcement activities also became more rigorous as auditors scrutinized state and local allocation practices and found many inconsistent with the new guidelines. The increased enforcement effort began in earnest during the early years of the Nixon administration. One key Federal bureaucrat recalled that before 1968 it had been politically risky to push for careful enforcement of Federal regulations on comparability and nonsupplanting. But during the early Nixon years, Federal officials decided that the program was not working because states and localities failed to follow regulations. Thus, despite the administration's dislike of excessive paperwork, the Office of Education tightened Federal controls. As one Federal bureaucrat later admitted, "A hell of a paperwork burden was imposed on the states and local districts for the sake of ensuring comparability."

These changes were enthusiastically supported by a wave of new groups, such as the National Advisory Council for the Education of Disadvantaged Children, the Lawyers Committee for Civil Rights Under Law, the Legal Standards and Education Project of the National Association for the Advancement of Colored People (NAACP), and the National Welfare Rights Organization. These organizations functioned as advocates for the low-income, low-achieving students compensatory education was designed to assist. Unlike the groups that had helped initiate the legislation in 1965, these organizations argued repeatedly that greater Federal specificity was needed in allocating funds and overseeing their use. In the process they provided reports and suggestions that influenced congressional thinking and were sometimes simply adopted in various amendments. The Children's Defense Fund and the NAACP, for example, were instrumental in gaining congressional support for the comparability and nonsupplanting provisions. They compiled considerable evidence, much of it from previously unheralded Federal audits, that local districts were misusing Federal money. The publication of these findings in a 1969 report, entitled Title I: Is It Helping Poor Children?, prompted a major intensification of Federal oversight of the program (Martin & McClure, 1969).

During the 1970s such organizations became increasingly active and effective. For example, the Lawyers Committee for Civil Rights Under Law, a public interest law firm, was a constant thorn in the side of local educators and their organizational representative in Washington. The law firm not only published manuals advising citizens how to bring suit against districts believed to be in violation of Federal guidelines, but "several of their recommendations for strengthening the program requirements [were] quite evident in the 1978 amendments" (Kirst & Jung, 1982, p. 132).

At the same time, Federal officials responsible for the compensatory education program became increasingly impatient as audit and other evaluation reports indicated considerable local divergence from Federal requirements and expectations. Ultimately, some districts were charged with outright misuse of Federal funds. Audits conducted in 1973, for instance, charged the Milwaukee school district with the misuse of $5.9 million of compensatory education funds between 1968

and 1973, through violations of the supplement, not supplant and comparability requirements. Federal dollars, the audits indicated, were used to pay for the salaries and related costs of many compensatory education teachers who had previously been paid from state and local sources. The audits also charged that some projects, such as an environmental education mobile laboratory and field trips to museums, served all students in certain grade levels (and not just the disadvantaged ones eligible for services). In 1980, after years of negotiations, Milwaukee returned $120,266 to the Federal government (Wisconsin Department of Public Instruction, 1982).[2]

The Baltimore school district was even more resistant to Federal restrictions on fund use. Baltimore officials mingled compensatory education dollars with the general school fund and often used the Federal funding to supplant general school expenditures. A 1978 Federal audit charged that the district had failed to fulfill its responsibilities to ensure that funds were spent in the Baltimore schools in conformity with Federal regulations (U.S. Department of Education, 1980). From 1974 to 1978 the Baltimore school district allegedly misspent $14.6 million in Federal funds, one-fourth of the total Federal compensatory education allocation to the district during the period (Assistant Secretary for Elementary and Secondary Education, 1981). Most of the funds were allegedly used to cover general administrative costs and regular curricular activities that benefited all students. Although the leading state and local school officials contended that the allegations were inaccurate, many administrators and instructors with extensive experience in Baltimore's program agreed that the charges were generally legitimate. They concurred with audit findings that Baltimore had "operated the program inefficiently, used a deficient accounting system," and paid scant attention to many program guidelines.

The rigorous regulatory and enforcement efforts of the early 1970s did serve to concentrate compensatory education services on the low-income, educationally disadvantaged student, however. By 1976 the program had acquired sufficient definition that only three percent of the students who were neither poor nor educationally disadvantaged were participating in federally funded reading programs (Table 1). The Federal law, to be sure, did not give poor, disadvantaged students a right to compensatory services, so in fact only a third of the most eligible students actually were receiving them, a point often made by those calling for program expansion. But even though the program may have been smaller than advocates wished, poor, low-achieving students were eleven times more likely to be in the program than their better-off counterparts. Clearly Federal rules were by this time shaping policy implementation at the local level.

Phase Three: Toward More Mature Program Operation

Repeated conflicts over program regulations generate a third stage in the administration of redistributive programs. Federal bureaucrats, facing complaints from local leaders and from their

Table 1

Percentage of Children in Compensatory Reading Programs by Status and Program, 1976*

Program	Poor low achievers**	Not poor, low achievers	Poor high achievers	Not poor, high achievers
Title I	32.7	20.4	4.9	2.7
Other compensatory services	14.4	14.9	8.1	6.3
Nonparticipants	52.9	64.7	87.0	90.9

*Columns may not total 100 percent because of rounding.
**Bottom 50 percent in reading.

Source: Poverty Achievement and the Distribution of Compensatory Education Service (First interim report of the National Assessment of Chapter 1), (p. 88) by M. M. Kennedy, R. K. Jung, and M. E. Orland, 1986, Washington, DC: U.S. Department of Education.

legislative representatives, once again modify guidelines and procedures. A new tolerance of local diversity, a new recognition that no single programmatic thrust is clearly preferable, and an appreciation of the limits as to what can be directed from the center steadily emerges. Phase three is not a return to phase one: there is no dramatic oscillation from permissiveness to detailed regulation and back again. Instead phase three is more a synthesis, a discernment of the appropriate balance between what is desirable and what is possible. Since local administration of the program is now in the hands of experienced professionals and the basic redistributive goals of the program are understood and accepted by all levels of government, central government decision makers more readily accept that all programs must necessarily be modified as they are carried out in particular contexts. Unresolved issues remain, problems arise, and adjustments become necessary, but the dimensions of the debate are now contained within well-understood boundaries.

Pullouts

The increasing maturity in the operation of the compensatory education program is particularly evident from the way in which the "pullout" issue evolved. During the programs's second phase, Federal auditors often insisted on evidence that compensatory monies were

being used exclusively for the benefit of educationally disadvantaged students, that is, that school systems were complying with supplement, not supplant regulations. "Pullout" programming satisfied the auditors' expectations because the disadvantaged students were "pulled out" of the classroom and given special instruction in reading and mathematics in small groups or tutorial sessions. The reading specialists and teacher aides who taught these special classes were paid for entirely with Federal monies, and their presence in the school was clearly an additional school activity. Pullout programming also became widespread because the practice helped legitimize the growing subprofessions in reading and learning disabilities, it justified recruiting teacher aides from the low-income community, and it reflected a respected, widely held view that socially disadvantaged students required special instructional techniques (P. L. Peterson, 1986). The practice became subject to increasing criticism in the late 1970s, however. Critics pointed out that separating the educationally disadvantaged from other students could undermine their self-confidence by stigmatizing them as "dumb," that education in small groups conducted by teacher aides and less experienced reading specialists was not necessarily superior to that provided in the regular classroom, that shuffling children from one classroom to another disrupted the school day and reduced active learning time, and that the curricula of the regular classroom teacher and the compensatory educator were typically uncoordinated, thereby confusing students as to how and what they were expected to learn (P. L. Peterson, 1986).

The pullout concept gradually came into disfavor after a comprehensive review of the compensatory education program was conducted in 1976 (Kenoyer, Cooper, Saxton, & Hoepfner, 1981). According to one influential interpretation of the findings, compensatory education had positive, long-term effects on student achievement when program design did not involve pullouts; it had no significant effects when the pullout arrangement was used (Cooley, 1981). By the 1980s, enthusiasm for the practice was on the wane, though the evidence as to its effectiveness or inefffectiveness remains open to further research and discussions (Archambault, 1986).

In response to these criticisms, Federal and state officials insisted that they had never required pullout programs, that many educational strategies were consistent with Federal guidelines, and that their only concern was to ensure that monies were used to serve the eligible population. After this, local officials felt greater freedom to explore such alternative strategies as the use of in-class aides, after school programs, and reduced class sizes. But the controversy caused by pullout programs continues. In 1986 one local official complained that the potential threat of a Federal or state audit prevented the implementation of alternative educational strategies. "The greatest fear of [local educational] coordinators is a visit by the Inspector General's office. Time and again programs reviewed, approved, and monitored by [state educational] personnel are found to be illegal by the Inspector General's staff" (Rosica, 1986, pp. III-126-127). But this view was in the minority; as the evidence against use of the pullout practice mounted, most observers

felt that Federal and state officials had relaxed their auditing requirements and a broader range of educational strategies was being explored (Jung & Kirst, 1986).

Federal-State Relations

The pullout dispute was only one example of the administrative issues that required discussion and resolution, but by the late 1970s, regulatory provisions that had once been ill defined and poorly understood had become a way of life. Federal officials gradually began to concentrate on collecting only that information necessary to determine local compliance. Of the five criteria initially thought necessary to assess compliance with the supplement, not supplant provision, for example, Federal officials settled on two. They decided that knowing the number of staff and the expenditures per child would be sufficient to tell them whether local and state funds were being equitably spent. After these requirements became well established, evidence suggested that compliance was nearly universal, and the organizations that had represented compensatory education recipients so assertively in the early 1970s ceased to cite noncompliance as a problem. Federal audits conducted in the late 1970s also found a steady decline in the misuse of Federal funds. The findings from these formal reviews were confirmed by more informal assessment in interview with Federal, state, and local officials.

As states developed a greater understanding of what was and was not permissible, they increasingly integrated the Federal program into their overall efforts. Compensatory education no longer seemed peripheral to their mission. Florida, for example, revised state achievement testing during the 1970s to measure the performance of children receiving compensatory services and of all other children. The state also combined auditing for the program with auditing for overall school expenditures, enabling it to trace each educational dollar to individual schools and class levels. While the combined audit initially caused some confusion, especially for districts such as Dade County that had never examined the expenditure patterns of individual schools, it gradually became standardized and widely supported, in part because the new procedures enabled school principals to exercise greater latitude in allocating resources. Wisconsin developed a similar procedure for including audits of Federal program compliance into a computerized comprehensive school audit.

Such intermingling of Federal and state purposes also improved state and local relations. As states became increasingly adept at managing Federal regulations, they sought more collaboration with local school systems. Florida increasingly solicited suggestions from local educators before deciding on state guidelines, and state officials set up regional meetings to review draft copies of proposed compensatory education applications before their formal submission.

All four states in which our research was conducted further embraced the Federal program by enacting their own compensatory

education programs. In 1981 Florida spent $34 million for its own program in addition to the $81 million it received from the Federal government. Both programs were monitored by the same bureau, and in both programs the state concentrated a disproportionate share of resources on students from kindergarten through grade three. Maryland also used Federal funds in conjunction with those for its own program and other state categorical monies. Since the Federal program served fewer than half of all eligible Maryland students, state funds were said to be concentrated on the rest. In 1981 Maryland added $5.5 million for program funding to $37 million of Federal funding. Compensatory education was thus increasingly assumed as a state responsibility, both through Maryland's considerable role in Federal program oversight and the emergence of its own comparable programs.

California probably did the most of the four states to take advantage of the new Federal flexibility. Like the others it combined the Federal compensatory education program with its state program in an attempt to create a comprehensive policy. In the late 1970s it also developed a consolidated form so that local districts could request money for a dozen different state and Federal programs in one application. This form encouraged local principals and school personnel to develop a more integrated approach to the use of various categorical program monies. Meanwhile, reviews of compensatory education programs were combined with those of other programs to create a comprehensive review process. This development furthered the integration of the various categorical programs and encouraged communication among local educators, inasmuch as program reviews in any given district were normally performed by local educators from other districts.

California's innovations initially encountered considerable difficulties with the Federal government. From Washington's perspective, the Federal program in California had become so well integrated with state programs that it practically lost its identity, and whether regulations on comparability and nonsupplanting were being followed had become difficult to determine. Arguing that its procedures ensured comparability and nonsupplanting, the state reached an uneasy truce with the Federal office for several years. The problem was resolved in the late 1970s when provisions for state programs were written into the 1978 amendments to the Federal law that facilitated the coordination of Federal and state compensatory programs. By 1981 several Federal officials whom we interviewed were enthusiastic about the high quality of California's local programs.

Professional Development

The administrative role in compensatory education developed a distinct identity in the two decades following the creation of the program. At all levels of government, those working in the field came to identify more with their program than with the governmental units that paid their salaries. In the perhaps exaggerated words of one fairly recent recruit to the Federal compensatory education

staff, "I'm always surprised when people ask if there's been any tension between us and the states. It's always been a cooperative professional relationship."

This professional identity and expertise in compensatory education was fostered by a variety of Federal pressures. During the late 1960s and early 1970s local school officials were reprimanded by Federal and state officials for noncompliance. These reprimands, involving intensified Federal and state audits and the threat of loss of funding, influenced local school systems to encourage professional development in the operation of their compensatory education programs. One state compensatory education official said, "While chief state school officers and superintendents might have publicly been saying, 'We've done nothing wrong,' they were saying to their staffs in private, 'Let's not let this happen again.'" Baltimore decided to "not let this happen again" with a major reorganization of its compensatory education office. The school district created a position of assistant superintendent for compensatory education and recruited a highly regarded administrator who instituted numerous changes. In Milwaukee, although most of the Federal money was initially used in questionable ways, the scale of the charges and the harassment they caused forced compensatory education administrators to be more careful in their subsequent use of Federal funds. After initial difficulties, "everyone wanted to learn the regulations and be in compliance with them," explained a Federal administrator. "States took pride in the fact that they knew the regulations and they wanted to show off their knowledge. They took pride in tightening their own enforcement of the program."

The new commitment to redistributive objectives was not merely a function of Federal pressure, however. As compensatory education specialists became school principals and school system administrators, greater sensitivity and commitment to the program spread throughout the system. In Maryland and Wisconsin the directors of both the Federal and the companion state programs served from the inception of the program until their retirement in the early 1980s. Specially trained personnel were also being recruited to work directly with the children receiving the services. In Maryland 700 teachers specialized in reading in 1980 compared with only 3 before 1965. Many of these were involved in compensatory education or related efforts funded by the state. A Maryland Department of Education official observed that "before the [Federal program], people did not believe that poor children could learn." A former compensatory education official in Wisconsin agreed, noting that "no one really believed that they had educationally disadvantaged children in their schools" before the Federal program. In short, the Federal compensatory education program encouraged new interest in and efforts on behalf of the disadvantaged.

The most notable program development took place in Dade County. A new superintendent, Johnny Jones, the first Black to hold the position, seized upon the compensatory education program in the late 1970s as a vehicle for providing innovative educational services to disadvantaged children. Instead of continuing the lackluster

approach of dispatching aides and other resources to local schools while providing little program structure, a practice that had prevailed during the first decade of compensatory education in the county, Jones and leading aides developed a program that introduced the concept of the "extended day."

The program was designed to serve about half of all elementary students participating in compensatory education. Federal funds were used to hire outstanding district teachers to provide an extra hour of instruction in reading and mathematics after the students had completed a normal day of classes. Instruction was intended to complement regular classroom work and emphasize basic skills. "Instead of six hours a day, we went to eight hours a day of instruction," explained an administrator active in the pilot program. "Teachers who were selected had to be experienced, and they had to be believers in the program. Previously, we just hired extra staff and scattered them about." Classes were kept relatively small, and participating teachers were rotated in and out of the program frequently to limit burnout. In addition to an extra stipend for their efforts they also received special training.

To be asked to teach in the extended day program was considered a recognition of high ability because the program sought out only the district's best teachers to participate. In the earlier period, program personnel lacked prestige and often certification: "Now, you must be tops to be a Title I teacher," one leader of a local parent advisory council remarked. After students performed well on standardized tests and a public review of the pilot program was favorable, the school board accepted the extended day concept as a model for all district elementary schools receiving compensatory education funds.

Dade County's compensatory education program was thus transformed from a potpourri of uncoordinated activities into one of its most prominent and popular educational programs. One district administrator commented that "Non-Title I parents used to say that Title I kids cannot learn and that any special programs for them were a waste of time and money. Now, many of them want [the program] for their own kids."

Jones was instrumental in this transformation not only by encouraging the program's initial development but also by touting it as a creative use of Federal grant-in-aid funds. The program was cited in Congress as a model worthy of emulation on the national level, and Jones rode the crest of this support to national prominence as well, when his nomination to be the first secretary of education was suggested. "Dade and its superintendent could do no wrong in the public eye, locally and nationally," recalled one administrator. "We had a super situation, and everyone was interested" in the program.

The image of the Dade compensatory program was badly tarnished, however, when Jones was indicted on several counts of bribery, one of which involved kickbacks from a contract approved for purchases of

instructional materials for the extended day program. His drawn-out, televised trial and his resulting conviction cost the program its most prominent and eloquent supporter as well as its once unquestioned public esteem. Moreover, test scores of participating students never increased as dramatically in subsequent years as they did during the first year of the program. Nonetheless, the extended day program continued to draw considerable professional and parental support in the district and was continued by the administration that succeeded Jones.

The increased cooperation among the central government and the four states and localities we observed seems to have reflected a national pattern. A major study by the National Institute of Education (NIE) found a significant decrease nationwide in reported instances of supplanting. The decrease, according to the NIE, was largely a function of less assiduous efforts by Federal officials to identify, report, and verify supplanting. The report even implied that higher level education officials refused to accept as verifiable the reports of supplanting submitted by members of their staff (National Institute of Education, 1977a). But long-term employees of the Office of Education interpreted the decline as an indication that local officials had acquired an understanding of Federal requirements and how to adapt to them. Certainly in the states we visited, efforts at greater compliance during the mid-1970s were described repeatedly. Perhaps both views can be accepted. Each component of the Federal system was learning to be less confrontational and more cooperative: local school officials learned how to comply, while Federal administrators learned that more was to be gained from accomodation than rigid rule enforcement. As one study reported, "State conflicts with Federal programs did not exhibit the intensity we had expected from popular accounts." Instead, "administrative problems are overstated and inaccurately ascribed to Federal programs as their singular source" (Moore et al., 1983, pp. 11-12). According to another survey, "local problem solving, Federal and state adjustments, and gradual local accommodations have generally reduced to a manageable level" the cost associated with implementing Federal education programs (Knapp, Stearns, Turnbull, David, & Peterson, 1983, p. 159). The results of econometric studies have agreed with these findings. Instead of using Federal compensatory education monies as a substitute for local funds, states and localities were spending money over and above what they received from the Federal government. One study estimated the average additional expenditure to be twenty-two cents for every dollar received; another study estimated it as twenty-eight cents (Chubb, 1985; Craig & Inman, 1982).[3]

Program Effects

The long-term effects of the compensatory education program on educational attainment have not been precisely determined. The kind of evaluation required to assess conclusively the overall effectiveness of this large-scale, complex undertaking will probably never be conducted. Even the large-scale Sustaining Effects Study that

attempted a formal evaluation in 1976 reached no definitive conclusions with respect to the overall, long-term impact of compensatory education. However, there are signs that differences in educational performance between minority and nonminority children have steadily narrowed since the early 1970s. A recent definitive review of the evidence concludes that eight of nine major studies "showed a consistent and unambigious narrowing of the gap between Black and nonminority students, leaving little doubt that this pattern is real and not an artifact of some aspects of the tests or groups tested." The review also notes that "differences between Black and nonminority students . . . shrank more rapidly among elementary and junior-high students than among high-school students" (Congressional Budget Office, 1986, pp. 150, 157).[4]

The causes of these gains are difficult to ascertain conclusively. They may primarily be due to broad social changes, including the passage of new civil right laws in the 1960s, improved minority educational and employment opportunities, and altered expectations of teachers, parents, and students about the capacities of minorities to achieve. To the extent that the compensatory education program contributed to these general changes in perceptions and expectations, its most significant effects may have been intangible, indirect, and symbolic. But a more direct, material contribution to minority educational gains cannot be ruled out. For one thing, gains in minority educational attainment have occurred despite the continued stagnation, and even deterioration, of minority well-being in other social spheres. The unemployment rate for young Black males has escalated since the 1960s, Black wages relative to those of Whites have shown little improvement, and Black families are even more likely to be headed by single parents than they were a generation ago when this problem first became a national issue. The one area of social life in which Blacks have made clear, identifiable gains has been within the educational system. What is more, those gains have been greatest during the elementary years, the very years minorities attended the schools that were the focus of compensatory education policies.

The Future of Compensatory Education

Changes Under Chapter 1

The changes in compensatory education under the Reagan administration have been much less than were anticipated in the summer of 1981 when legislative changes included in the Omnibus Budget and Reconciliation Act stripped most of the regulatory requirements from the law authorizing the program. The new law continued to declare that monies should be spent on the disadvantaged, but it no longer spelled out the way the money was to be dispersed within school districts and inside individual schools. In legislative terms, compensatory education had come full circle; the generalities contained in the law in 1981 looked more like the original 1965 legislation than any of the revised authorizations that had occurred in the intervening years.

Yet the legislative change of 1981 rendered few changes in administrative practice by 1986. Recent studies commissioned by the National Assessment of Chapter 1 are finding more continuity than change in program administration. The criteria for identifying schools and students within schools are similar to those used a decade ago; Federal monies are also still being used as a supplement to locally provided educational services. There is little evidence that the vague elements in the 1981 law are encouraging a dispersion and a diffusion of Federal funds such as had occurred in the first phase of the program inaugurated in 1965.

It may be that these studies are underestimating the effects of the 1981 legislation. Perhaps deregulation takes as long to have an effect as regulation does; perhaps an observer of compensatory education programs ten years from now will discover major changes that gradually accumulated over time. We should not repeat the mistake of early studies of compensatory education by concluding that one can observe within five years the full effects of a legislative change.

There is nonetheless good reason to believe that, in the absence of still further legislative revisions, compensatory education will continue in future years along much the same lines as it has evolved up until now. Much to the surprise of many policy analysts, the formal deregulation of the program under the Reagan administration has been greeted with a remarkable lack of enthusiasm by state and local officials. They complained that the new law and accompanying regulations were too vague. They preferred to keep in place the extra administrative work to which they had grown accustomed rather than risk being audited for noncompliance at some future date. Even Congress, in a bipartisan move, backed away from the deregulation of 1981, reinstituting requirements that had been deleted in the rush to deregulate. The law was amended in 1983 to restrict eligibility to schools in areas where at least 25 percent of the families were of low income. The amendments also specified that evaluations be conducted every two years, data on participants be collected, and that schools hold annual parent forums. What's more, in a period of fiscal stringency, compensatory education received virtually as much funding in constant dollars in 1985 as it received in 1980 (See Table 2).

Allocation Formula

Congress continued past practices in one other important respect as well: the formula for allocating Federal funds among states and localities. The way in which the allocation formula shapes substantive compensatory education policy is little appreciated and therefore the issue is worth further consideration in this concluding section.

Continuing congressional interest in specifically designating the formula for allocating compensatory education (and other Federal) funds is easily explained. Members of the Senate and House of

Table 2

Federal Expenditures for Compensatory Education Programs
Selected Fiscal Years, 1968-1985 (Millions of dollars)

Year	Expenditures	
	Current Dollars	Constant Dollars*
1968	1,049.1	2,188.8
1972	1,507.4	2,724.7
1976	1,760.8	2,245.1
1980	3,005.6	2,528.1
1982	3,063.6	2,303.5
1984	3,501.4	2,450.2
1985	3,721.8**	2,513.0**

*1979 dollars
**Estimated

Sources: Digest of Education Statistics by National Center for Educational Statistics, 1982 and 1985, Washington, DC: U.S. Department of Education. Block grants data from Education Times, January 3, 1983 and October 28, 1985.

Representatives are chosen in ways that allow for direct, immediate representation of territorial interests. Because each member of Congress represents a specific state or district, each cares deeply about the effects of policies on his or her territory. Undisciplined by strong political parties of the kind prevalent in Europe, senators and representatives are as concerned about their own territories' interests as about broader political issues. It is at least as legitimate to vote one's constituency as to vote one's conscience, and territorial issues are especially likely to provoke constituency consciousness.

This concern for constituency interests is reflected in the explicitness with which Congress legislates on territorial questions. Senators and Representatives know that once a bill affecting territorial interests is passed, any remaining ambiguities will be resolved by executive departments less concerned than they are about precise territorial effects. Consequently, Congress seeks ways to restrict the discretion of administrative agencies on these questions.

The interest in the territorial effects of compensatory education funding was evident from its very beginning. In 1965 the formula for distributing the funds was based on two major considera-

tions: the number of children from low-income families living within a school district and the average cost per pupil for education within the state. While the formula seemed consistent with the objective of serving disadvantaged children, Republican critics argued that some of the school districts that would receive the most resources were already well endowed. They proposed instead that the program offset existing inequalities in local fiscal resources. The Democratic majority prevailed, however, perhaps because the formula tended to favor large central cities and the rural South, the areas of greatest Democratic strength.

Within two years of the legislation's passage, efforts were begun to shift funding away from the highly industrialized Northeast. In 1967 Southern Congressmen demonstrated (by means of a computer simulation) that Southern states, which spent relatively low amounts on education, would greatly benefit if the allocation formula were based on the average national cost per pupil instead of the state-wide average. Accordingly, Congress adjusted the formula. In 1970, after program evaluations revealed that wealthier districts were receiving more Federal funds, further changes were made that "generally shifted the aid from wealthier urban states to the poorer, rural ones" ("Education Action Completed," 1974, p. 3423).

In 1974, debate centered on the weight that should be given to the number of children receiving public welfare assistance. Since wealthier, more industrialized states tended to have the least restrictive welfare practices, it was argued in Congress that "the wealthier a state, the more likely it is that it will . . . be able to add AFDC [Aid to Families with Dependent Children] children under Title I" ("Education Bill Debate," 1974, p. 701). While New York Representative Shirley Chisholm countered that reducing the weight of this provision of the formula represented a "retreat" from the intent of Title I to assist those areas with large concentrations of needs," the distribution formula was further modified. Once Republicans gained greater strength at both ends of Pennsylvania Avenue, the arguments they originally made in 1965 became much more persuasive.

By 1978, when the program came up for reauthorization a third time, Democrats were once again in political ascendance, and new changes in the distribution formula were proposed. A study by the National Institute of Education had shown that little was to be gained from, and great complexity would be introduced by, changing the formula so that funds were distributed among school districts according to the incidence of children whose educational performances were deficient instead of the incidence of children from low-income families (National Institute of Education, 1977b). Another study, well received in the new political climate, argued that "the fiscal and educational needs of the high-expenditure metropolitan states and their major cities deserve greater consideration than they received from Congress" (Goettel, 1978, p. 192). As a result, in a formula that amendments had already made increasingly complicated, large cities regained some of their initial advantage. But even before the passage of these new amendments, which determine the current funding pattern, the distribution of funds had favored the Northeastern

cities and Southern rural areas, the original winners in the allocation contest (See Table 3).

Table 3

Compensatory Education Program Allocations
by Region and Type of Community
for Each School-Aged Child, 1975-76

Type of Community	Northeast	North Central	South	West
Central city	58.24	38.02	40.81	31.58
Large	67.03	44.94	41.29	33.79
Other	37.11	24.97	40.12	26.83
Suburbs	17.77	14.22	26.42	22.80
Nonmetropolitan	29.18	27.46	54.14	34.53

Source: Title I Funds Allocation: The Current Formula (p. 17) by National Institute of Education, 1977, Washington, DC: U.S. Department of Health, Education, and Welfare.

Improving Compensatory Education Policy

These territorial interests of Congress in fact constitute one of the major obstacles to further improvement in the design of compensatory education programs. As currently structured, the program serves a widely dispersed constituency in countless numbers of schools in thousands of school districts scattered across every state and congressional district. It is well designed for obtaining maximum political support that every member of the House and Senate can appreciate.

This political support comes at some considerable cost in program effectiveness. The price that is paid is twofold. First, to reach the target population the Federal government must write regulations insuring that funds are used for the educationally disadvantaged within schools. Otherwise the funds would be dispersed so widely that the target population would not be adequately served. To keep this from happening, local school districts must show that they designed programs especially for those children within a specific school who are performing below a particular standard. While this may insure that the disadvantaged are being served, it also means that local schools are being asked to distinguish among children, stigmatizing some as needy. They are also being asked to fragment the school curriculum either by withdrawing some children from the classroom in order to receive special instruction or by using teacher aides to help low-performing children within the classroom. More generally, compliance takes precedence over pedagogy. Federal

regulations are preventing local principals and teachers from using their resources in the way they think is best for the benefit of the local school. Compensatory education becomes subject to the complaint that it is more interested in rule-making than educational engagement.

The second price that is paid is that scarce monies are not reserved for those schools in which the greatest concentrations of poverty and educational disadvantage are to be found. According to the interim report of the National Assessment of Chapter 1, educational attainment is just as adversely affected by living in a poor neighborhood as by coming from a poor family. If both factors are combined (i.e., if a child comes from a poor family living in an impoverished neighborhood) the incidence of educational disadvantage is approximately twice as high as when neither factor is present (Kennedy, Jung, & Orland, 1986). In other words, compensatory education is especially needed in those communities where the incidence of poverty is very high. In these contexts all children have a lower chance of doing well in school, and those coming from poor families are particularly likely to suffer educational deprivation. A compensatory education program that has only limited resources should be carefully designed so that it is concentrated on schools in these neighborhoods. To do so within current fiscal constraints means that many fewer schools would become the recipients of compensatory education funds.

Congress could learn from its twenty years of experience with the compensatory education program if, in the future, it decided to target schools, not students. If monies were concentrated only on those schools located in the most impoverished neighborhoods it would be reaching the population most in need. Since most students in these schools would be in need of help, the decisions as to how funds could best be used could be left to local educators, who could combine Federal, state and local funds for the maximum benefit of all children within the school. Federal regulations could be kept to a minimum, specifying only the ways in which schools would be selected and requiring only that Federal funds for the school be in addition to, not a substitution for, local resources. Quality programming, as well as equality of opportunity, could become an enduring feature of compensatory education.

To redesign compensatory education in these ways, Congress would have to exercise unusual political forbearance. In the interest of educational improvement, it would have to put to one side its desire to give a little Federal aid to each and every Congressional district. For twenty years, Congress has considered and reconsidered its formulas for aiding the education of the nation's poor. Each time it has found a solution that makes political sense. It is now time for Congress to choose a formula that makes educational sense as well.

REFERENCES

Archambault, F. X., Jr. (1986). Instructional setting: Key issue or bogus concern. In B. I. Williams, P. A. Richmond, & B. J. Mason (Eds.), Designs for compensatory education: Conference proceedings and papers. Washington, DC: Research and Evaluation Associates.

Assistant Secretary for Elementary and Secondary Education. (1981, July 29). Memorandum to David W. Hornbeck, Superintendent of Schools, State Department of Education, Maryland (Enclosure No. 1).

Bailey, S. K., & Mosher, E. K. (1968). ESEA: The Office of Education administers a law. Syracuse, NY: Syracuse University Press.

Chubb, J. E. (1985). The political economy of federalism. American Political Science Review, 79, 994-1015.

Clark, K. B. (1966). Education of the minority poor: The key to the war on poverty. In The disadvantaged poor: Education and employment. Third report of the task force on economic growth as opportunity. Washington, DC: Chamber of Commerce of the United States.

Congressional Budget Office. (1986). Trends in educational achievement. Washington, DC: U.S. Government Printing Office.

Cooley, W. W. (1981). Effectiveness of compensatory education. Educational Leadership, 3, 298-301.

Craig, S. G., & Inman, R. P. (1982). Federal aid and public education: An empirical look at the new fiscal federalism. Review of Economics and Statistics, 64, 541-552.

Education action completed. (1974, December 28). Congressional Quarterly Weekly Report, 32, 3423.

Education bill debate begins. (1974, March 16). Congressional Quarterly Weekly Report, 32, 701.

Feldstein, M. (1978). The effect of a differential add-on grant: Title I and local education spending. Journal of Human Resources, 13, 443-458.

Goettel, R. J. (1978). Federal assistance to national target groups: The ESEA Title I experience. In M. Timpane (Ed.), The Federal interest in financing schooling. Cambridge, MA: Ballinger.

Gramlich, E. M. (1977). Intergovernmental grants: A review of the empirical literature. In W. E. Oates (Ed.), The political economy of fiscal federalism. Lexington, MA: D. C. Heath.

Havighurst, R. J. (1965). The elementary schools and the disadvantaged pupil. In J. M. Beck & R. W. Saxe (Eds.), Teaching the culturally disadvantaged pupil. Springfield, IL: Charles C. Thomas Press.

Johnson, L. (1966). Remarks to members of Congress at a reception marking the enactment of the education bill. In Public papers of the Presidents: Lyndon Johnson, 1965. Washington, DC: U.S. Government Printing Office.

Jung, R., & Kirst, M. (1986). Beyond mutual adaptation, into the bully pulpit: Recent research on the Federal role in education. Educational Administration Quarterly, 22(3), 84-95.

Kennedy, M. M., Jung, R. K., & Orland, M. E. (1986). Poverty, achievement and the distribution of compensatory education services (First interim report of the National Assessment of Chapter 1). Washington, DC: U.S. Department of Education.

Kenoyer, C. E., Cooper, D. M., Saxton, D. E., & Hoepfner, R. (1981). The effects of discontinuing compensatory education services (Sustained Effects Study: Tech. Rep. No. 11). Santa Monica, CA: System Development Corporation.

Kirst, M.W., & Jung, R. (1982). The utility of a longitudinal approach in assessing implementation: A thirteen-year view of Title I, ESEA. In W. Williams, R. F. Elmore, J. S. Hall, R. Jung, M. Kirst, S. A. MacManus, B. Narver, R. P. Nathan, & R. K. Yin (Eds.), Studying implementation methodological and administrative issues. Chatham, NJ: Chatham House.

Knapp, M. S., Stearns, M. S., Turnbull, B. J., David, J. L., & Peterson, S. M. (1983). Cumulative effects of Federal education policies on schools and districts. Menlo Park, CA: SRI International.

Martin, R., & McClure, P. (1969). Title I of ESEA: Is it helping poor children? Washington, DC: Washington Research Project and NAACP Legal Defense and Educational Fund.

McLaughlin, M. (1975). Evaluation and reform: The Elementary and Secondary Education Act of 1965, Title I. Cambridge, MA: Ballinger.

Moore, M. T., Goertz, M. E., Hartle, T. W., Winslow, H. R., David, J. L., Sjogren, J., Turnbull, B., Coley, R. J., & Holland, R. P. (1983). The interaction of Federal and related state education programs: Executive summary. Princeton, NJ: Educational Testing Service.

Murphy, J. T. (1971). Title I of ESEA: The politics of implementing Federal education reform. Harvard Educational Review, 41, 35-63.

National Institute of Education. (1977a). Administration of compensatory education. Washington, DC: Author.

National Institute of Education. (1977b). Title I funds allocation: The current formula. Washington, DC: Author.

Peterson, P. E. (1983). Background paper. In Task force on Federal education policy: Making the grade. New York: Twentieth Century Fund.

Peterson, P. E., Rabe, B., & Wong, K. (1986). When federalism works. Washington, DC: Brookings Institution.

Peterson, P. L. (1986). Selecting students and services for compensatory education: Lessons from aptitude-treatment interaction research. In B. I. Williams, P. A. Richmond, & B. J. Mason (Eds.), Designs for compensatory education: Conference proceedings and papers. Washington, DC: Research and Evaluation Associates.

Rivlin, A. M. (1971). Systematic thinking for social action. Washington, DC: Brookings Institution.

Rosica, T. C. (1986). Program and staffing structures: Reactions. In B. I. Williams, P. A. Richmond, & B. J. Mason (Eds.), Designs for compensatory education: Conference proceedings and papers. Washington, DC: Research and Evaluation Associates.

Tsang, M. C., & Levin, H. M. (1982). The impact of intergovernmental grants on educational spending. Stanford, CA: Stanford University, School of Education.

Update on the News. (1982, May 24). Education Times, p. 3.

U. S. Department of Education. (1980). The audit report on the review of comparability data under Title I of the Elementary and Secondary Education Act of 1965: School district of Baltimore City for the period July 1, 1974 through June 30, 1978. Washington, DC: Author.

Wisconsin Department of Public Instruction. (1982). Information on the HEW audit agency report of audit 1968 through 1973: The Milwaukee public school system. Madison, WI: Author.

FOOTNOTES

1. The authors gratefully acknowledge support for this research from the National Institute of Education, Ford Foundation, and the Exxon Educational Foundation.

2. In 1983, 75 percent of these funds were returned to the Milwaukee public schools as a compensatory education program "grant back" ("Update on the News," 1982).

3. These are averages for the program during 1965-79 and 1967-77. Unfortunately, neither study analyzes the pattern year by year to ascertain whether the stimulative effects of federal compensatory education increased. However, one may infer this by comparing the results of these studies with those of Feldstein (1978) that relied exclusively on 1970 data. A review of studies of categorical grants reported that, in general, the grants seem to "stimulate total local spending roughly equal to the grant [possibly] because they come with effective effort-maintenance provisions" (Gramlich, 1977, p. 234). Similar results from other studies are reported in Tsang and Levin (1982).

4. The study also reports that comparable gains are being made on the part of Hispanic students, although the data are sparser and less reliable. Also, see a similar review of the evidence in P. E. Peterson (1985).